CALCULATING DORAL TDMP BUDGETS

ROLL FOLD

Based calculations on the following assumptions:

- 200 Doral data base names per store location
- 3% - 10% redemption rate (10% used in example below)
- (4) $2.00-off carton coupons per Roll Fold (no option)
- $.38 printing/postage cost per Roll Fold

Example: Chain A has 100 stores

A. Calculating Printing & Postage Cost:

100 stores X 200 Doral data base names = 20M names (Roll Folds)
20M Roll Folds X $.38 (printing/postage cost/Roll Fold) = $7,600 printing/postage cost

-- Chain responsible for half = $3,800
-- Doral Heavy-Up dollars pay half = $3,800

B. Calculating Coupon Redemption Cost:

20M Roll Folds X (4) coupons per Roll Fold = 80M total coupons
80M total coupons X 10% redemption rate = 8M coupons redeemed
8M coupons redeemed X $2.00 (coupon value) = $16M due to chain

-- Doral Heavy-Up dollars reimburse chain for coupons = $16,000

C. How payments are made:

$16M due chain for coupon reimbursement	$ 16,000
Less $3,800 for chain's half of printing/postage	- $3,800
* Net due chain for coupons redeemed	$ 12,200
** RJR printing/postage payment to printer	+ $7,600
Total Doral Heavy-Up dollars spent for this program	**$ 19,800**

* Paid by home office. IMPORTANT! RJR field manager must submit completed invoice (blank copy of invoice attached) detailing amount we owe chain for coupons redeemed, less their half of printing/postage charges. Keep in mind that these coupons are not manufacturer's coupons and will not be accepted by Coupon Redemption Center or clearing houses. Send invoices to Ted Stewart, 7th Floor-Reynolds Building, P. O. Box 2959, Winston-Salem, NC 27102-2959. Ted's extension is 0399. Nikki Lail (extension 0460) will let you know chain's portion of printing/postage charges before it's time for you to submit invoice.

If the amount we owe chain for coupons is less than amount they owe us for printing/postage, submit completed invoice, with chain's check attached, to Ted Stewart. Checks should be made payable to R. J. Reynolds Tobacco Company.

** To be paid by home office; Doral Heavy-Up budget transfers for printing/postage payments will be made in-house.

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1996 TRADE DIRECT MARKETING PROGRAM

ROLL FOLD DEADLINES

	ROLL FOLD MAILING #3	ROLL FOLD MAILING #4	ROLL FOLD MAILING #5
Identify Chain; Contact TDMG*	1/22	3/25	5/27
Chain Presentation with TDMG	2/19	4/22	6/24
Chain's Top Panel Art to Coyne-Beahm Agency	3/18	5/20	7/22
Color Proof to KAM for Chain Approval	4/15	6/17	8/19
Chain Proof Approval to TDMG	4/22	6/24	8/26
Field/Chain Program Communication	5/20	7/22	9/23
Mail Out Date; Samples Mailed to KAM/Chain	6/17	8/19	10/21

*TDMG= Trade Direct Marketing Group

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